Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram – 122 002
India

T +91 124 4628099
F +91 124 4628001

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of GMR Infrastructure Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of GMR Infrastructure Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results ('the Statement') of GMR Infrastructure Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures (refer Annexure 1 for the list of subsidiaries, associates and joint ventures included in the Statement) for the quarter ended 30 June 2022, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to:

   a. Note 2 to the accompanying Statement, which describes the impact of demerger of Engineering, procurement, and construction ('EPC') business and Urban Infrastructure Business (including Energy Business) of the Group into GMR Power and Urban Infra Limited, pursuant to the Composite scheme of amalgamation and arrangement (the 'Scheme') approved by the National Company Law Tribunal vide its order dated 22 December 2021. The Group had given accounting effect to the demerger with effect from 31 December 2021, being the 'effective date' as per the Scheme, as further described in the aforesaid note. Consequently, comparative financial information for the quarter ended 30 June 2021 relating to EPC business and Urban Infrastructure Business (including Energy business) has been disclosed as 'Discontinued Operations' in the accompanying Statement. Our conclusion is not modified in respect of this matter.

   b. Note 5(a) and 5(b) to the accompanying Statement, which describes the uncertainty relating to the outcome of litigation pertaining to the costs related to procurement of security equipment, construction of residential quarters for Central Industrial Security Force deployed at the Rajiv Gandhi International Airport, Hyderabad and other costs which have been adjusted from the PSF (SC) Fund upto 31 March 2018, pending final decision from the Hon'ble High Court of Telangana and the consequential instructions from the Ministry of Civil Aviation. Our conclusion is not modified in respect of this matter.

   The above matter has also been reported as an emphasis of matter in the review report dated 18 July 2022 issued by us along with other joint auditor on the standalone unaudited condensed interim financial statements for the quarter ended 30 June 2022 of GMR Hyderabad International Airport Limited, a subsidiary of the Holding Company.

   c. Note 3(b) to the accompanying Statement, in relation to ongoing litigation / arbitration proceedings between Delhi International Airport Limited ('DIAL') and Airport Authority of India ('AAI') in respect of Monthly Annual Fee (MAF) for the period 1 April 2020 to 31 March 2022 for which DIAL has sought to be excused from making payment to AAI as triggered from a force majeure event, which could have a significant impact on the accompanying Statement, if the potential exposure were to materialize. The outcome of such litigation /arbitration proceedings is currently uncertain and basis internal assessment and legal opinion, pending final outcome of the litigation, the management is of the view that no further adjustments are required to be made to the accompanying Statement for the aforesaid matter. Our conclusion is not modified in respect of this matter.

   The above matter in relation to ongoing litigation has also been reported as an emphasis of matter in the review report dated 29 July 2022 issued by us along with other joint auditor on the standalone financial results for the quarter ended 30 June 2022 of DIAL, a subsidiary of the Holding Company.

6. We have jointly reviewed with another auditor, the interim financial results of three subsidiaries included in the Statement, whose financial information reflects (before adjustments for consolidation) total revenues (including other income) of Rs. 1,480.46 crore, total net profit after tax of Rs. 47.67 crore and total comprehensive loss of Rs. 210.78 crore for the quarter ended on that date, as considered in the Statement. For the purpose of our conclusion on the consolidated financial results, we have relied upon the work of such other auditor, to the extent of work performed by them.

Chartered Accountants

7. We did not review the interim financial results of 16 subsidiaries included in the Statement, whose financial information reflects total revenues of Rs. 345.69 crore, total net loss after tax of Rs. 26.04 crore and total comprehensive loss of Rs. 25.47 crore for the quarter ended on that date, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 20.78 crore and total comprehensive loss of Rs. 20.74 crore for the quarter ended 30 June 2022, in respect of 1 associate and 5 joint ventures (including 2 joint ventures consolidated for the quarter ended 31 March 2022, with a quarter lag), whose interim financial results have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates/ joint ventures is based solely on the review reports of such other auditors, and the procedures performed by us as stated in paragraph 3 above.

   Further, of these joint ventures, 2 joint ventures are located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been reviewed by other auditors under generally accepted accounting standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such joint ventures from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the balances and affairs of these joint ventures, is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

   Our conclusion is not modified in respect of these matters.

8. The statement includes the interim financial results of 5 subsidiaries (consolidated for the quarter ended 31 March 2022, with a quarter lag), which have not been reviewed by their auditors, whose interim financial results reflects (before adjustment for consolidation) total revenues of Rs. 5.63 crores, total net loss after tax of Rs. 72.53 crore and total comprehensive loss of Rs. 83.76 crore for the quarter ended on that date, as considered in the consolidated interim financial results. The consolidated interim financial results also include the Group's share of net profit (including other comprehensive income) of Rs. 2.84 crore for the quarter ended 30 June 2022, as considered in the consolidated interim financial results, in respect of 1 associate and 5 joint ventures (including 4 joint ventures consolidated for the quarter ended 31 March 2022, with a quarter lag), which have not been reviewed/audited by their auditors and have been furnished to us by the Holding Company's management. Our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures are based solely on such unaudited/unreviewed interim financial results. According to the information and explanations given to us by the management, these interim financial results are not material to the group.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the financial results certified by the Board of Directors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Neeraj Sharma
Partner
Membership No. 502103

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 22502103ANVHFU2426

Place: New Delhi
Date: 29 July 2022

Annexure 1

List of entities included in the statement

S.No	Holding Company
1	GMR Infrastructure Limited

S.No	Subsidiary	S.No	Subsidiary
1	GMR Airports Limited	13	GMR Airports (Singapore) Pte Ltd
2	GMR Hyderabad International Airport Limited	14	GMR Airports Greece Single Member SA
3	GMR Hyderabad Aerotropolis Limited	15	GMR Kannur Duty Free Services Limited
4	GMR Hyderabad Aviation SEZ Limited	16	GMR Hyderabad Airports Assets Limited
5	GMR Hospitality and Retail Ltd	17	GMR Nagpur International Airport Limited
6	GMR Aerospace Engineering Limited	18	GMR Vishakhapatnam International Airport Limited
7	GMR Airport Developers Limited	19	GMR Airport Netherland BV (Incorporated on 17 December 2021)
8	GMR Aero Technic Limited	20	GMR Airport (Mauritius) Ltd
9	Delhi International Airport Limited	21	Raxa Security Services Limited
10	Delhi Airport Parking Services Pvt. Ltd.	22	GMR Business Process and Services Private Limited
11	GMR Goa International Airports Limited	23	GMR Infra Developers Limited
12	GMR International Airport BV	24	GMR Corporate Affairs Private Limited

S.No	Joint Ventures	S.No	Joint Ventures
1	Laqshya Hyderabad Airport Media Private Limited	7	GMR Megawide Cebu Airport Corporation
2	ESR GMR Logistics Park Private Limited (formerly known as GMR Logistics Park Private Limited)	8	Mactan Travel Retail Group Co
3	Delhi Aviation Services Private Limited	9	SSP- Mactan Cebu Corporation
4	Delhi Aviation Fuel Facility Private Limited	10	International Airport of Heraklion Crete SA
5	Delhi Duty Free Services Private Limited	11	Megawide GMR Construction JV
6	GMR Bajoli Holi Hydropower Private Limited	12	PT Angkasa Pura Avias (Acquired on 23 December 2021)

S.No	Associates	S.No	Associates
1	TIM Delhi Airport Advertisement Private	3	Travel Food Services (Delhi T3) Private Limited
2	Celebi Delhi Cargo Terminal Management India Private Limited	4	Digi Yatra Foundation

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

GMR Infrastructure Limited
Corporate Identity Number (CIN): L45203MH1996PLC281138
Registered Office: Naman Centre, 7th Floor, 701
Opp. Dena Bank, Plot No. C-31, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai, Mumbai City, Maharashtra- 400 051
Phone: +91-22-42028000 Fax: +91-22-42028004
Email: gil.cosecy@gmrgroup.in Website: www.gmrgroup.in

Statement of consolidated financial results for the quarter ended 30 June 2022

(Rs. in crore)

Particulars	Quarter ended			Year ended
	30 June 2022	31 March 2022	30 June 2021	31 March 2022
	Unaudited	(Refer Note 10)	Unaudited	Audited
A. Continuing operations				
1. Income				
a) Revenue from operations				
i) Sales/ income from operations	1,253.30	1,087.89	685.02	3,772.17
ii) Other operating income	190.67	195.71	234.06	828.55
b) Other income				
i) Foreign exchange fluctuations gain (net)	101.36	47.24	36.08	81.92
ii) Other income - others	96.06	56.12	55.98	276.52
Total Income	**1,641.39**	**1,386.96**	**1,011.14**	**4,959.16**
2. Expenses				
a) Revenue share paid/ payable to concessionaire grantors (refer note 3(b))	413.68	20.59	86.63	224.02
b) Cost of materials consumed	26.83	26.94	29.98	92.57
c) Purchase of traded goods	33.94	37.41	2.44	52.37
d) (Increase)/ decrease in stock in trade	(17.54)	(4.97)	2.39	4.61
e) Sub-contracting expenses	4.96	37.71	4.45	116.25
f) Employee benefit expenses	222.30	192.20	187.88	755.12
g) Finance costs	517.10	527.80	447.38	2,018.66
h) Depreciation and amortisation expenses	219.05	259.84	204.44	889.40
i) Other expenses	331.32	439.57	251.80	1,253.21
Total expenses	**1,751.64**	**1,537.09**	**1,217.39**	**5,406.21**
3. Loss before share of profit/(loss) of investments accounted for using equity method, exceptional items and tax from continuing operations (1) - (2)	**(110.25)**	**(150.13)**	**(206.25)**	**(447.05)**
4. Share of profit/ (loss) of investments accounted for using equity method	23.23	41.94	(18.88)	70.70
5. Loss before exceptional items and tax from continuing operations (3) + (4)	**(87.02)**	**(108.19)**	**(225.13)**	**(376.35)**
6. Exceptional items (refer note 6)	-	(63.10)	-	(388.26)
7. Loss before tax from continuing operations (5) + (6)	**(87.02)**	**(171.29)**	**(225.13)**	**(764.61)**
8. Tax expense/ (credit) on continuing operations (net)	25.97	(42.34)	(45.05)	(12.30)
9. Loss after tax from continuing operations (7) - (8)	**(112.99)**	**(128.95)**	**(180.08)**	**(752.31)**
B. Discontinued operations				
10. Loss before tax from discontinued operations	-	-	**(131.55)**	**(318.33)**
11. Tax expense on discontinued operations (net)	-	-	6.28	60.75
12. Loss after tax from discontinued operations (10) - (11)	-	-	**(137.83)**	**(379.08)**
13. Loss after tax for the respective periods (9) + (12)	**(112.99)**	**(128.95)**	**(317.91)**	**(1,131.39)**

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

SIGNED FOR IDENTIFICATION PURPOSES ONLY

GMR INFRASTRUCTURE LIMITED

Particulars	Quarter ended			Year ended
	30 June 2022	31 March 2022	30 June 2021	31 March 2022
	Unaudited	(Refer Note 10)	Unaudited	Audited
				(Rs. in crore)
14. Other comprehensive income (net of tax)				
Continuing operations				
Items that will be reclassified to profit or loss	(365.21)	(345.77)	(17.33)	(471.29)
Items that will not be reclassified to profit or loss	2.47	2.22	0.12	(1.80)
Discontinued operations				
Items that will be reclassified to profit or loss	-	-	(15.96)	17.57
Items that will not be reclassified to profit or loss	-	-	0.07	(0.57)
Total other comprehensive income, net of tax for the respective periods	**(362.74)**	**(343.55)**	**(33.10)**	**(456.09)**
15. Total comprehensive income for the respective periods (13) + (14)	**(475.73)**	**(472.50)**	**(351.01)**	**(1,587.48)**
Profit attributable to				
a) Owners of the Company	(136.98)	(141.28)	(252.12)	(1,023.29)
b) Non controlling interest	23.99	12.33	(65.79)	(108.10)
Other comprehensive income attributable to				
a) Owners of the Company	(183.18)	(144.16)	(48.38)	(203.60)
b) Non controlling interest	(179.56)	(199.39)	15.28	(252.49)
Total comprehensive income attributable to				
a) Owners of the Company	(320.16)	(285.44)	(300.50)	(1,226.89)
b) Non controlling interest	(155.57)	(187.06)	(50.51)	(360.59)
Total comprehensive income attributable to owners of				
a) Continuing operations	(320.16)	(285.44)	(180.44)	(957.61)
b) Discontinued operations	-	-	(120.06)	(269.28)
16. Paid-up equity share capital (Face value - Re. 1 per share)	**603.59**	**603.59**	**603.59**	**603.59**
17. Total equity (excluding equity share capital)				**1,314.56**
18. Earnings per share				
Continuing operations - (Rs.) (not annualised)				
Basic	(0.23)	(0.24)	(0.19)	(0.98)
Diluted	(0.23)	(0.24)	(0.19)	(0.98)
Discontinued operations - (Rs.) (not annualised)				
Basic	-	-	(0.23)	(0.72)
Diluted	-	-	(0.23)	(0.72)
Total operations - (Rs.) (not annualised)				
Basic	(0.23)	(0.24)	(0.42)	(1.70)
Diluted	(0.23)	(0.24)	(0.42)	(1.70)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

SIGNED FOR IDENTIFICATION PURPOSES ONLY

GMR INFRASTRUCTURE LIMITED

GMR Infrastructure Limited Consolidated statement of segment revenue, results, assets and liabilities				
				(Rs. in crore)
Particulars	Quarter ended			Year ended
	30 June 2022	31 March 2022	30 June 2021	31 March 2022
	Unaudited	(Refer Note 10)	Unaudited	Audited
1. Segment revenue				
Airports	1,443.97	1,283.60	919.08	4,600.72
Segment revenue from operations	**1,443.97**	**1,283.60**	**919.08**	**4,600.72**
2. Segment results				
Airports	(87.02)	(108.19)	(225.13)	(376.35)
Loss before exceptional items and tax from continuing operations	**(87.02)**	**(108.19)**	**(225.13)**	**(376.35)**
Less : exceptional items (refer note 6)	-	(63.10)	-	(388.26)
Loss before tax expense from continuing operations	**(87.02)**	**(171.29)**	**(225.13)**	**(764.61)**
Tax expense/ (credit) on continuing operations (net)	25.97	(42.34)	(45.05)	(12.30)
Loss after tax from continuing operations	**(112.99)**	**(128.95)**	**(180.08)**	**(752.31)**
Loss before tax expenses from discontinued operations	-	-	(131.55)	(318.33)
Tax expense on discontinued operations (net)	-	-	6.28	60.75
Loss after tax from discontinued operations	**-**	**-**	**(137.83)**	**(379.08)**
Loss after tax for the respective periods	**(112.99)**	**(128.95)**	**(317.91)**	**(1,131.39)**
3. Segment assets				
a) Airports	38,108.04	37,110.21	33,085.41	37,110.21
b) Power	-	-	6,164.02	-
c) Roads	-	-	3,881.19	-
d) EPC	-	-	1,212.09	-
e) Others	-	-	1,348.77	-
f) Unallocated	-	-	3,177.34	-
g) Assets classified as held for sale	-	-	307.01	-
Total assets	**38,108.04**	**37,110.21**	**49,175.83**	**37,110.21**
4. Segment liabilities				
a) Airports	36,672.63	35,192.06	29,193.92	35,192.06
b) Power	-	-	2,857.01	-
c) Roads	-	-	1,299.33	-
d) EPC	-	-	594.16	-
e) Others	-	-	4.29	-
f) Unallocated	-	-	14,213.21	-
g) Liabilities directly associated with the assets classified as held for sale	-	-	22.32	-
Total liabilities	**36,672.63**	**35,192.06**	**48,184.24**	**35,192.06**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

SIGNED FOR
IDENTIFICATION
PURPOSES ONLY

GMR INFRASTRUCTURE LIMITED

GMR Infrastructure Limited

Notes to the consolidated financial results for the quarter ended 30 June 2022

1. **Consolidation and Segment Reporting**

a. GMR Infrastructure Limited ('the Company', 'the Holding Company' or 'GIL') carries on its business through various subsidiaries, joint ventures and associates (hereinafter referred to as 'the Group'), being special purpose vehicles exclusively formed to build and operate various projects.

b. Pursuant to the composite scheme of amalgamation and arrangement for amalgamation as detailed in note 2 the business activities of the Group fall within single business segment in terms of Ind-AS 108 'Operating Segment'.

c. Investors can view the results of the Company on the Company's website www.gmrgroup.in or on the websites of BSE (www.bseindia.com) or NSE (www.nse-india.com).

2. Pursuant to the composite scheme of amalgamation and arrangement for amalgamation of GMR Power Infra Limited (GPIL) with the Company and demerger of EPC business and Urban Infrastructure Business of the Company (including Energy Business) into GMR Power and Urban Infra Limited (GPUIL) ("Scheme") approved by the Hon'ble National Company Law Tribunal, Mumbai bench ("the Tribunal") vide its order dated 22 December 2021 (formal order received on 24 December 2021). The said Tribunal order was filed with the Registrar of Companies by the Company, GPIL and GPUIL on 31 December 2021 thereby making the Scheme effective. and accounting the same from effective date. Accordingly, assets and liabilities of the EPC business and Urban Infrastructure Business (including Energy business) as approved by the Board of Directors pursuant to the Scheme stand transferred and vested into GPUIL on 1 April 2021, being the Appointed date as per the Scheme. The consolidated financial results of the Company do not have any impact of the Composite Scheme, however as per the applicable Ind AS, the EPC business and Urban Infrastructure Business (including Energy business) has been classified as Discontinued operations for these consolidated financial results in the respective period/ year. The breakup of the EPC business and Urban Infrastructure Business (including Energy business) which were earlier classified as reportable segment in the Company is now disclosed as discontinued operations for the comparative period for the quarter ended 30 June 2021 and year to date 31 March 2022 is as under:

Rs in Crore

Particulars	Quarter ended 30 June 2021	Year ended 31 March 2022
i) Total income	**919.17**	**3,012.52**
- Power	463.78	1,561.07
- Roads	124.09	391.58
- EPC	269.44	851.44
- Others	61.86	208.43
ii) Total expenses	**1,146.87**	**3,572.83**
- Power	505.71	1,645.61
- Roads	196.98	584.92
- EPC	250.82	848.12
- Others	193.36	494.18
iii) Profit/ (loss) before exceptional items and tax	**(227.70)**	**(560.31)**
- Power	(41.93)	(84.54)
- Roads	(72.89)	(193.34)
- EPC	18.62	3.32
- Others	(131.50)	(285.75)

SIGNED FOR IDENTIFICATION PURPOSES ONLY

GMR Infrastructure Limited

Notes to the consolidated financial results for the quarter ended 30 June 2022

Particulars	Quarter ended 30 June 2021	Year ended 31 March 2022
iv) Share of profit from investments using equity method	**96.15**	**68.98**
- Power	96.09	68.74
- Roads	-	-
- EPC	0.06	0.24
- Others	-	-
v) Exceptional items (expenses)/ income	**-**	**173.00**
- Power	-	473.00
- Roads	-	-
- EPC	-	-
- Others	-	(300.00)
vi) Profit/ (loss) before tax	**(131.55)**	**(318.33)**
- Power	54.16	457.20
- Roads	(72.89)	(193.34)
- EPC	18.68	3.56
- Others	(131.50)	(585.75)
vii) Tax expenses/(credit)	**6.28**	**60.75**
- Power	4.50	58.93
- Roads	1.75	6.06
- EPC	-	-
- Others	0.03	(4.24)
viii) Profit/ (loss) for the period	**(137.83)**	**(379.08)**
- Power	49.66	398.27
- Roads	(74.64)	(199.40)
- EPC	18.68	3.56
- Others	(131.54)	(581.51)

SIGNED FOR IDENTIFICATION PURPOSES ONLY

3. (a) DIAL has entered into development agreements ("Development Agreements") with five developers collectively referred as Bharti Reality SPV's ("Developers") on 28 March 2019 ("Effective date") granting the Developers the right during the term for developing 4.89 million square feet commercial space from the Effective Date subject to the receipt of applicable permits. As per the terms of Development Agreements, DIAL was entitled to receive interest free refundable security deposit ("RSD"), advance development cost ("ADC") and the annual lease rent ("ALR") in certain manner and at certain times as stated in the respective Development Agreements.

With respect to the receipt of applicable permits, the approval of Concept Master Plan ("CMP") was received from Delhi Urban Art Commission (DUAC) in March 2021. Thereafter, a sudden surge in Covid-19 cases emerged in India affecting the entire economy. Accordingly, DIAL was not in a position to effectuate the transaction and seek payment of ALR, balance amount of RSD and ADC from the Developers until August 2021.

On 27 August 2021, basis the CMP, DIAL has entered into certain modifications w.r.t. area and date of commencement of lease rental for the three Developers. As per amended agreements, lease rentals have started with effect from 1 September 2021 for modified area of 2.73 million square feet (approx.).

Accordingly, considering the above and the amendment with three Developers as Lease Modification, lease receivables (including unbilled revenue) of Rs. 678.04 Crore accrued until August 2021 shall be adjusted to balance lease period, in accordance with recognition and measurement principles under Ind AS 116 "Leases". Consequently, DIAL has also carried forward the provision of annual fee to AAI of Rs. 211.35 Crore corresponding to straight lining adjustments of Ind AS 116 which will get adjusted in future in line with Lease receivables.

In respect of Development agreements with two Developers for balance area of 2.16 million square feet (approx..), the asset area will be identified by DIAL not later than 28 February 2023, as per mutual understanding vide agreement dated 27 August 2021. Accordingly, all payments will be due basis the handover of asset area. Pending identification of asset area and effectiveness of lease, DIAL has reversed the lease receivables (including unbilled revenue) of Rs. 462.33 Crore pertaining to these two developers recognized earlier until August 2021 in accordance with recognition and measurement principles under Ind AS 116 "Leases". Further, DIAL has also reversed the provision of annual fee to AAI of Rs. 144.11 Crore corresponding to the straight lining adjustments of Ind AS 116 recognized earlier until August 2021. Further, DIAL has also made the required adjustments of RSD as per Ind AS 109, reversing the discounting impact amounting to Rs. 6.94 Crore in consolidated statement of profit and loss. The net amount of Rs. 325.16 Crore is disclosed as an "Exceptional item" in the consolidated financial results of the Group during the year ended 31 March 2022.

(b) DIAL issued various communications to Airports Authority of India ("AAI") from the month of March 2020 onwards inter-alia under Article 16 (Force Majeure) and informed AAI that consequent to the outbreak of Covid-19 pandemic, the entire aviation industry, particularly the Indira Gandhi International ("IGI") Airport has been adversely affected. It was specifically communicated that the said crisis has materially and adversely affected the business of DIAL which in turn has directly impacted the performance of DIAL's obligations under the Operations Management and Development Agreement ("OMDA") (including obligation to pay Annual Fee/Monthly Annual Fee) while DIAL is continuing to perform its obligation to operate, maintain and manage the IGI Airport. DIAL thereby invoked Force Majeure post outbreak of COVID-19 "A Pandemic" as provided under Article 16 of OMDA and claimed that it would not be in a position to perform its obligation to prepare Business Plan and pay Annual Fee/ Monthly Annual fee to AAI. The said event(s) of Force Majeure had also been admitted by AAI in its communication to DIAL. Consequently, DIAL is entitled to suspend or excuse the performance of its said obligations to pay Annual Fee/Monthly Annual Fee as notified to AAI. However, AAI has not agreed to such entitlement of DIAL under OMDA. This has resulted in dispute between DIAL & AAI and for the settlement of which, DIAL has invoked on 18 September 2020 dispute resolution mechanism in terms of Article 15 of OMDA. Further, on 2 December 2020, DIAL again requested AAI to direct the ICICI Bank (Escrow Bank) to not to transfer the amounts from Proceeds Accounts to AAI Fee Account, seeking similar treatment as granted by Hon'ble High Court of Delhi to Mumbai International Airport Ltd.

GMR Infrastructure Limited

Notes to the consolidated financial results for the quarter ended 30 June 2022

In the absence of response from AAI, DIAL approached Hon'ble High Court of Delhi seeking certain interim reliefs by filing a petition under section 9 of Arbitration & Conciliation Act on 5 December 2020 due to the occurrence of Force Majeure event post outbreak of COVID 19 and its consequential impact on business of DIAL, against AAI and ICICI Bank (Escrow Bank). The Hon'ble High Court of Delhi vide its order dated 5 January 2021 has granted ad-interim reliefs with following directions:

- The ICICI Bank is directed to transfer back, into the Proceeds Account, any amount which may have been transferred from the Proceeds Account to the AAI Fee Account, after 9 December 2020,
- Transfer of moneys from the Proceeds Account to the AAI Fee Account, pending further orders, shall stand stayed and DIAL can use money in Proceeds Account to meet its operational expenses.

Meanwhile with the nomination of arbitrators by DIAL and AAI and appointment of presiding arbitrator, the arbitration tribunal has been constituted on 13 January 2021. The pleadings in the matter are complete and both the parties have filed the witness affidavits on 18 July 2022 and next hearings of arbitration tribunal is fixed in October 2022.

Before DIAL's above referred Section 9 petition could be finally disposed off, AAI has preferred an appeal against the ad-interim order dated 5 January 2021 under section 37 of the Arbitration and Conciliation Act, 1996 before division bench of Hon'ble High Court of Delhi, which is listed for consideration and arguments.

In compliance with the ad-interim order dated 5 January 2021, AAI had not issued any certificate or instructions to the Escrow Bank from 9 December 2020 onwards regarding the amount of AAI Fee payable by DIAL to AAI, as contemplated under the Escrow Agreement and the OMDA. Resultantly both pursuant to the ad-interim order of Hon'ble Delhi High Court and in the absence of any certificate or instruction from AAI, the Escrow Bank has not transferred any amount pertaining to AAI Fee from Proceeds Account to AAI Fee Account of the Escrow Account from 9 December 2020 onwards.

Basis the legal opinion obtained, DIAL is entitled to not to pay the Monthly Annual fee under article 11.1.2 of OMDA to AAI being an obligation it is not in a position to perform or render on account of occurrence of Force Majeure Event, in terms of the provisions of Article 16.1 of OMDA till such time DIAL achieves level of activity prevailing before occurrence of Force majeure. Further, DIAL had also sought relief for refund of MAF of an amount of Rs. 465.77 Crore appropriated by AAI for the period starting from 19 March 2020 till December 2020.

In view of the above, the management of DIAL had not provided the Monthly Annual Fee to AAI for the period 1 April 2020 to 31 March 2022 amounting to Rs. 1,758.28 Crore.

As AAI had already appropriated the Monthly Annual Fee amounting to Rs. 446.21 Crore from 1 April 2020 till 09 December 2020, which DIAL had already protested. Accordingly, the same had been shown as Advance to AAI paid under protest. However, since the recovery of this amount is sub-judice before the Hon'ble High Court of Delhi and the arbitral tribunal, as a matter of prudence, DIAL had created a provision against above advance and shown the same in other expenses during financial year 2020-21.

Recently, as an interim arrangement the Parties (DIAL and AAI) by mutual consent and without prejudice to their rights and contentions in the dispute before the arbitral tribunal, have entered into a settlement agreement dated 25 April 2022, for the payment of Annual Fee/ Monthly Annual Fee (AF/ MAF) with effect from April 2022, prospectively. Accordingly, DIAL is paying the MAF to AAI w.e.f. 1 April 2022 onwards as per approved Business Plan.

Consequent to this interim arrangement, both DIAL and AAI have filed copy of the settlement agreement in their respective petition and appeal before Hon'ble High Court of Delhi and have withdrawn the pending proceedings. This arrangement is entirely without prejudice to the rights and contentions of the parties in respect of their respective claims and counter claims in the pending arbitration proceedings, including the disputes in respect of payment/ non-payment of MAF from 19 March 2020 onwards, till such time as provided in Article 16.1.5 (c) of OMDA.

4. (a) In case of GMR Hyderabad International Airport Limited ('GHIAL'), a subsidiary of the Company, had filed an appeal, challenging the disallowance of pre-control period losses and foreign exchange loss on external commercial borrowings, classification of revenues from ground handling, cargo and fuel farm as aeronautical revenues and other issues for determination of aeronautical tariff for the First Control Period ("FCP") commencing from 1 April 2011 to 31 March 2016 by Airport Economic Regulatory Authority ('AERA'). The Adjudicating Authority, Telecom Disputes Settlement Appellate Tribunal (TDSAT), in its disposal order dated 6 March 2020 has directed AERA to reconsider the issues afresh while determining the aeronautical tariff for the Third Control Period commencing ("TCP") from 1 April 2021.

   In relation to determination of tariff for the Second Control Period ("SCP"), commencing from 1 April 2016 to 31 March 2021, AERA had issued a consultation paper on 19 December 2017. However, as the aforesaid consultation paper does not address the issues arising out of the FCP, including true up for shortfall of receipt vis-a-vis entitlement for the FCP, GHIAL had filed a writ petition and obtained a stay order from the Hon'ble High Court at Hyderabad in the month of February 2018 in respect of further proceedings in determination of tariff order for the SCP.

   Consequent to the Order passed by TDSAT dated 06 March 2020, AERA, in respect of the remainder of the SCP, i.e. from 1 April 2020 to 31 March 2021, had determined the Aeronautical tariff vide its Order dated 27 March 2020. Accordingly, GHIAL has applied aeronautical tariff for determination of aeronautical revenue as per the aforesaid order for the year ended 31 March 2021 and for the period ended 30 September 2021, pending finalization of aeronautical tariff for the TCP. During the period, AERA vide its Order dated 31 August 2021, has issued Tariff Order for the TCP effective from 1 October 2021 and accordingly GHIAL has applied aeronautical tariff for determination of aeronautical revenue as per the aforesaid order for the period effective 1 October 2021.

   Alternatively, GHIAL has also filed an appeal against the Tariff Order for the TCP with TDSAT, as GHIAL's management is of the view that AREA has not considered the outstanding issues of FCP and SCP in determination of aeronautical tariff for the TCP as directed by TDSAT vide its ordered dated 6 March 2020.

   (b) In case of DIAL, AERA has issued tariff order no 57/2020-21 for third control period ("CP3") starting from 1 April 2019 to 31 March 2024 on 30 December 2020 allowing DIAL to continue with BAC+10% tariff for the balance period of third control period. AERA has also allowed compensatory tariff in lieu of Fuel Throughput Charges w.e.f. 1 February 2021 for the balance period of third control period. DIAL had also filed an appeal against some of AERA's decision in third control period order on 29 January 2021 with TDSAT.

   DIAL's appeal against the second control period ("CP2") is pending before the TDSAT and the same is still to be heard which shall be heard in due course. Also, DIAL in respect of TDSAT order against first Control period appeal dated 23 April 2018 has filed a limited appeal in the Hon'ble Supreme Court of India on 21 July 2018 and same is still to be heard.

   TDSAT at the request of AERA and concurred by DIAL, has agreed to tag CP2 appeal with CP3 appeal. The matter is now listed for hearing both appeals together.

5. (a) The Ministry of Civil Aviation (MoCA) had issued orders in 2014, requiring the Airport Operators to reverse the expenditure incurred from PSF (SC) Fund towards (a) procurement and maintenance of security systems/equipment; (b) construction of other long lived assets (refer note (b) below) along with interest till date of reversal. GHIAL had utilised approximately Rs. 142 Crore towards the above expenses, excluding related maintenance expense, other costs and interest thereon till 31 March 2018 which is presently unascertainable. Management is of the opinion that the utilisation of funds from PSF(SC) escrow account is consistent with the Standard Operating Procedures, guidelines and clarification issued by the MoCA from time to time on the subject of utilization of PSF (SC) funds.

SIGNED FOR IDENTIFICATION PURPOSES ONLY

GMR Infrastructure Limited

Notes to the consolidated financial results for the quarter ended 30 June 2022

As the above order, in management's opinion, is contrary to and inconsistent with SOPs, guidelines and clarification issued by the MoCA from time to time in this regard, GHIAL had challenged the said order before the Hon'ble High court of Andhra Pradesh. The Hon'ble High Court, vide its order dated 3 March 2014 followed by further clarifications dated 28 April 2014 and 24 December 2014, stayed the MoCA order with an undertaking that, in the event the decision of the writ petition goes against GHIAL it shall restore the PSF (SC) Fund to this extent.

Based on the internal assessments, GHIAL's management is of the view that no further adjustments are required to be made, in this regard to the accompanying consolidated financial results of the Group for the quarter ended 30 June 2022.

(b) As per the advice from the Ministry of Home Affairs and the Standard Operating Procedures ('SOP') issued by MoCA on 6 March 2002, GHIAL, through its erstwhile wholly owned subsidiary, Hyderabad Airport Security Services Limited ('HASSL') constructed residential quarters for Central Industrial Security Forces ('CISF') deployed at the Hyderabad airport. After completion of such construction, the total construction cost including the cost of land and related finance cost amounting to Rs. 113.73 Crore was debited to the PSF (SC) Fund with corresponding intimation to MoCA. The Comptroller and Auditor General of India ('CAG'), during their audits of PSF (SC) Fund, observed that, GHIAL had not obtained prior approval from MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated 8 January 2010 and 16 April 2010 issued by MoCA. However, management of the Group is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached MoCA for approval to debit such costs to the PSF (SC) Fund account. Further, GHIAL requested MoCA to advice the AERA for considering the cost of land/ construction and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the Hyderabad airport. Pending final instruction from MoCA, cost of residential quarters continued to be accounted in the PSF (SC) Fund and no adjustments have been made to the accompanying consolidated financial results of the Group for the quarter ended 30 June 2022.

6. Exceptional items comprise of the impairment of investment in joint venture and reversal of lease receivables as mentioned in note 3(a).

7. The Group has witnessed recovery in demand for air travel during later part of the previous year with removal of restrictions on inter-state and international travel, relaxations by the State Governments, increase in the vaccination drive. During the current quarter the operation of the Group have significantly improved and the Group is currently operating near the pre-covid level of operations.

8. The unaudited standalone financial results of the Holding Company for the quarter ended 30 June 2022 reflected losses from continuing operations. The management is of the view that this is situational in nature since the net worth of the Holding Company is positive and management has taken various initiatives to further strengthen its short-term liquidity position including raising finances from financial institutions and strategic investors and other strategic initiatives. Such initiatives will enable the Holding Company meet its financial obligations and its cash flows in an orderly manner.

9. The accompanying consolidated financial results of the Group for the quarter ended 30 June 2022 have been reviewed by the Audit Committee in their meeting on 29 July 2022 and approved by Board of Directors in their meeting held on 29 July 2022.

10. The figures of the last quarter of the previous year are the balancing figure between the audited figure of the full financial year and the published unaudited year to date figures for the nine months ended 31 December 2021.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

SIGNED FOR IDENTIFICATION PURPOSES ONLY

GMR INFRASTRUCTURE LIMITED

GMR Infrastructure Limited

Notes to the consolidated financial results for the quarter ended 30 June 2022

11. Figures pertaining to previous quarter/ year have been re-grouped / reclassified, wherever necessary, to confirm to the classification adopted in the current quarter.

For **GMR Infrastructure Limited**

Grandhi Kiran Kumar
Managing Director & CEO

Place: London
Date: 29 July 2022

SIGNED FOR IDENTIFICATION PURPOSES ONLY